



LOAN COMMITMENT

October 9, 2015

Byron Haney
River Bluff Enterprises, Inc.
Ellensburg, WA. 98926

Dear Byron,

Spokane Teachers Credit Union ("Lender") is pleased to confirm that Lender is willing to commit a First Note and Deed of Trust of up to \$5,000,000.00 ("Commitment Amount") to River Bluff Enterprises, Inc. ("Borrower") subject to the terms and conditions of this Loan Commitment ("Commitment"). Credit extended to Borrower will be subject to the execution of a Note, other loan documentation and security documents that Lender deems necessary and appropriate for transactions of this nature.

Loan Purpose:

Refinance of the River Bluff Medical Center 100 East Jackson Street Ellensburg, Washington.

Borrower:

River Bluff Enterprises, Inc.

Guarantors:

Unconditional personal guarantees from each of the following persons: Bryon Haney, Roger Haney, Marcus Haney and Eric Layman.

Interest Rate:

The initial rate of 4.25% will be fixed for the first five years and then will adjust to the Federal Reserve five year weekly H.15 swap index (currently at 1.68%) plus a margin of 2.75% for the second five year period. The initial rate is the floor rate. This is an indicative rate which will be set at closing.

Repayment:

The monthly principal and interest payments will be approximately \$27,086.91 per month. At maturity, the remaining principal balance and any accrued interest will be due in full.

Amortization:

25 years (300 months)

Maturity:

10 years (120 months)

Loan Origination Fee:

1.00% to Lender

Pre-payment Penalty:

Prepayment Penalties shall apply when extra principal reductions are made in excess of 20% of the outstanding loan balance in any given calendar year: First year fee: 3% of the outstanding principal balance. Second year fee: 2% of the outstanding principal balance. Third year fee: 1% of the outstanding principal balance. Borrower acknowledges that Lender has relied upon the anticipated investment return under this Note in entering into transactions with, and making commitments to, third parties; therefore except as provided herein, Lender shall not be required to accept any such payment unless such payment is accompanied by the Prepayment Penalty.

Collateral:

The loan will be secured by a first deed of trust, a security agreement and such other loan documentation as Lender requires on 6 parcels that comprise The River Bluff Medical Center 100 East Jackson Street Ellensburg, Washington 98926. All existing liens encumbering the Collateral shall be paid off and reconveyed or released at closing, including the existing loan payable to U.S. Bank.

Maximum Loan To Value:

The amount of the loan shall not exceed 75% of the appraised value based on the completed summary commercial real estate appraisal from Colliers dated July 21, 2015, file #S150401.

Insurance Requirements:

Borrower shall provide and maintain hazard insurance for the full insurable value of the collateral and provide a certificate of insurance naming Lender as loss payee.

Commitment Term:

The loan must close by November 10, 2015 or this commitment will expire, and Lender's obligation herein will terminate.

This loan commitment is conditional upon:

- Satisfactory commercial real estate appraisal review performed by an STCU approved appraiser.
- Approval by the United States Bankruptcy Court, Eastern District of Washington, in Case No. 14-00843-FLK11, *In re* River-Bluff Enterprises, Inc., of this refinance and the Borrower's plan to exit from Chapter 11 Bankruptcy.
- Satisfactory Flood determination report.
- Satisfactory & clear preliminary title policy to be issued to STCU.
- Satisfactory VERA Check environmental report.

- Satisfactorily completed Borrower's and lender's environmental questionnaires.
- General fire and liability insurance naming Lender as loss payee.
- Copy of operating agreement for River Bluff Enterprises Inc.
- Borrower must become a member of STCU.
- Property shall maintain a minimum debt service coverage ratio (DSC) of 1.25% to 1.00% measured annually. The DSC ratio is determined as earnings before interest, taxes, depreciation and amortization, divided by the principal and interest payments.

Reimbursement of Fees:

Whether or not the transaction closes, Borrower shall promptly reimburse Lender for, or pay directly, all reasonable costs and expenses including, without limitation, legal fees and disbursements, incurred by Lender in connection with review of the proposed transaction and the preparation, execution and delivery of this Commitment, the loan application, the loan documentation (whether or not executed) and any amendment or modification of this Commitment or the loan documentation.

Closing Costs:

Borrower shall pay all reasonable and customary costs associated with the funding of this loan, specifically including, but not limited to appraisal, environmental due diligence, title insurance, legal review fees, escrow/closing fees and recording fees.

Conditions Precedent:

Lender's commitment to extend credit to Borrower as described herein is subject to the satisfaction of each of the following conditions precedent in such a manner acceptable to Lender in its sole discretion: (A) Borrower agrees to and satisfies all of the terms and conditions of this Commitment, (B) There is no material breach of any representation, warranty or agreement of Borrower set forth in this Commitment, (C) The execution and delivery of loan documents satisfactory to Lender in its sole discretion, (D) There is no change, occurrence, or development prior to the closing that could, in the Lender's opinion, have a materially adverse effect on the business, assets, liabilities (actual or contingent), operations condition (financial or otherwise), or prospects of Borrower.

Representations and Warranties:

Borrower represents and warrants that (A) All information provided by Borrower to Lender in connection with this application or transaction is and will be at the closing (if there is a closing) complete and correct in all material respects, and does not and will not contain any untrue statement of a material fact or omit to state a material fact, and (B) Borrower will use proceeds of the credit solely for the refinance of the River Bluff Medical Center 100 East Jackson Street Ellensburg, Washington 98926.

Amendments:

This Commitment constitutes the entire understanding and agreement of the parties as to the matters set forth in this Commitment. No alteration of or amendment to this



Commitment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Acceptance:

Borrower shall accept the terms of this Commitment by the close of business on October 20, 2015 by returning this Commitment signed by Borrower and Guarantor. If this Commitment is not accepted by the above defined date, the Commitment shall expire unless extended in writing by Lender.

This Commitment shall be null and void if subject loan is not closed within 30 days of Borrower acceptance of commitment terms, as evidenced by execution and return of this commitment letter to Lender.

The foregoing Commitment terms and conditions represent a partial disclosure of loan terms and conditions to be associated with this proposed loan. A full disclosure of terms and conditions shall be contained in loan documents to be drafted and made available to Borrower for review prior to closing.

Thank you for this opportunity to be of benefit to you and your business. If you have any questions or additional needs, please let us know.

Spokane Teachers Credit Union:

By: 

Jeff Verble, Commercial Lending Manager

Borrower acknowledges having read all the provisions of this Commitment. Borrower accepts and agrees to the terms of the commitment as of _____, 2015.

River-Bluff Enterprises, Inc.

By: Byron Haney

Its: _____